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ABSTRACT

While West Germany is an affluent society, it is also progressive in terms of its social weflare system. This country's constitution of May, 1949, known as The Basic Law, formed the foundation of the system that simultaneously guarantees human dignity and free personal development and promotes social justice and progress. A national economic policy, called the "social market economy," has also promoted the growth of the welfare system by stressing the principles of free competition, private ownership, the free use of private property, and private initiative and responsibility while at the same time requiring social obligations and responsibilities of property owners and employers and a government role in social security. Various branches of the social security system help protect people from major problems. This special report features key elements of the welfare system through individual case histories concerned with: (1) child and child-raising benefits; (2) the promotion of career training; (3) educational assistance; (4) medical insurance; (5) accident insurance; (6) maternity leave protection; (7) pension insurance; (8) disability rehabilitation; (9) welfare assistance; (10) welfare assistance for foreign residents; and (11) international social policy cooperation. A list of direct social welfare benefits paid during 1986 is included. (JHP)

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THE SOCIAL WELFARE SYSTEM

IN THE FEDERAL REPUBLIC OF GERMANY

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CONTENTS PAGE

Federal Republic of Germany -- Welfare State	1
Child and Child-Raising Benefits	3
Promotion of Career Training	5
Educational Assistance	9
Medical Insurance	11
Accident Insurance	14
Maternity Protection	17
Pension Insurance	20
Rehabilitation of the Disabled	24
Welfare Assistance	28
Welfare for Resident Foreign Nationals	31
International Cooperation	33
Volume of Social Welfare Costs	34

Federal Republic of Germany -- Welfare State

The Federal Republic of Germany is one of the most affluent societies in the world. At the same time, it is one of the most progressive in terms of social justice. This situation was achieved in the framework of a free, democratic and just system of government supported by the people. Hard work, labour-management cooperation, private intiative, free enterprise and organizational talent have been important in this as much as balanced economic and social policies have.

The Basic Law (constitution) of May 1949 forms the basis of the economic and social progress that has been made in the Federal Republic of Germany. The system of government defined in the Basic Law guarantees human dignity and the free personal development, on the one hand, and, on the other, social progress and justice. Another key factor in the shaping of the social security system in the Federal Republic of Germany has been the economic policy known as "social market economy". It is based on the principles of free competition, private ownership, the free use of private property, private initiative and responsibility, but, at the same time, it also involves social obligations for those who own property, social responsibility for employers, and a government role to the extent needed in social security in a system where as much as possible is left in the hands of the private sector.

The comprehensive system of employee involvement in company and administrative-level decision making that has been created in the Federal Republic of Germany (Works Constitution Act, Personnel Representation Act) is another important aspect of social policy in the country.

The fact that most of the people living in the Federal Republic of Germany are insured against major risks is a product of the welfare state system. This is done through the various branches of the social security system. There is also a wide-ranging system of welfare assistance that sees to it that no one in a critical social situation remains without help. It includes financial assistance to provide for basic needs as well as assistance in special cases of need (e.g. preventive health measures, medical assistance, integration assistance for the disabled, assistance for persons in need of care, assistance for persons with behavioral problems, assistance to the aged). People have a legal right to most of these forms of assistance and they are provided after consideration of the specifics of each individual case. They are intended, as much as possible, to enable the person seeking help to help himself. The assistance measures are provided by local or regional authorities.

(1)

About 92% of the population in the Federal Republic of Germany is covered by statutory medical insurance.

Retirement schemes are of major importance if people are to be guaranteed security in old age. The statutory pension-insurance scheme in the Federal Republic provides this security for the majority of the population.

One essential social policy task is that of integrating the disabled in the working world and in society as a whole. In recent years a rather broad range of legal regulations, services and institutions have been created for this purpose. Persons who are physically, mentally or emotionally handicapped, or who are in danger of becoming handicapped, have a legal right to assistance of this kind.

In the Federal Republic, equality of the sexes is guaranteed by the constitution. Discrimination or preferential treatment based on sex is not permitted. Legislative bodies, executive government and the justice system are legally bound to uphold this principle. In 1980 equality of the sexes was reconfirmed as a legal principle by the Law on the Equal Treatment of Men and Women in the Workplace and on the Preservation of Claims in the Case of Company Transfers (EEC harmonization law). The focus of this law is that of preventing discrimination against an employee because of his or her sex. This applies to hiring, the definition of working conditions, as well as to giving notice. The law codifies the principle of equal pay. It makes it illegal for an employer to pay less for the same or equivalent work simply because of an employee's sex. Aside from this, the law take protective account of factors specific to women. These, and other key elements of the welfare system are to be discussed (with no claims to exhaustiveness) in the context of this special report.

Child and Child-Raising Benefits

Christian and Ute A. live in Hamburg and have four children. Susi, the youngest, is four years old and can already read a little. The three other children are aged 12, 15, and 17.

When their twelve-year-old, Philip, started school the house suddenly seemed empty -- at least in the morning. The two oldest children tended to be gone most of the time -- only coming home for meals and to sleep. Ute and Christian wanted to have another child -- this time a girl if possible.

Wouldn't an additional child prove too much for the family's limited resources? Christian's income as a tile layer was around 1,800 marks a month. Ute did an occasional translation for a machine factory that brought in about 100 marks a month. They received a total of 370 marks a month in child benefit. If they had another child they would be entitled to an additional 240 marks per month.

A daughter -- Susi -- was born, just as they had hoped. Looking back, Christian and Ute don't see the expense of additional child as having been excessive, even though they had to cut back on some things. Susi is in kindergarten now. When she starts school Ute, who is now forty, wants to take a job again as a foreign-language secretary, even though this may only be on a half-day basis.

Christian is now a master tile layer and his income has improved. The family budget is in order -- a fact to which the government child benefit scheme contributes.

Child benefit is a subsidy designed to help parents cope with financial burdens associated with having and raising children. It is a contribution towards social justice for families and creates more equality of opportunity for children. Child benefit is paid for children under the age of sixteen.

Child benefit can be paid for children sixteen years of age and older (maximum age twenty-seven) as long as:

- the child in question is still at school or in career training and any educational subsidies being paid are under 750 marks (gross) per month;

- the child in question engages in voluntary social work for a period of one year (e.g. in a hospital, rest home, children's home, or some other social institution);

- the child in question is unable to support itself as a result of a handicap;

- the child in question helps out in a heavily burdened household.

The age limit of 27 can be extended for young men who are in training and who have completed their military obligation, an alternative period of civilian service, or some other comparable service (e.g. prison police, development assistance). Parents of handicapped children continue to be eligible for child benefit after their children have reached the age of twenty-seven if the disability in question occurred before the child reached this age.

Monthly child benefit rates (as of 1988):

= first child	50 marks
= second child	100 marks
= third child	220 marks
= fourth child, all subsequent children	240 marks

In the case of entitled persons in higher income brackets the child benefit rates for the second child and all subsequent children is reduced to 70 marks for the second child and 140 marks for every subsequent child.

In addition, parents are paid a child-raising benefit of 600 marks per month for a period of one year if one of the parents does not work. Child-raising benefit is paid in recognition of the effort that goes into raising children. Employed parents have a right to child-raising leave. The latter is intended as a means of making it possible for the mother or the father to take care of the child without putting their job in jeopardy. If both parents are employed they are free to choose who will take child-raising leave (i.e. after the period of maternity leave has been completed). If one parent is at home and able to take care of the child, then the other parent is not eligible for child-raising leave. Employers cannot give notice while employees are away on child-raising leave. Thus, their jobs are secure.

Promotion of Career Training

Dietmar K. is an electrical technician. After completing career training he worked for more than three years with the company that trained him. A few months ago he got married and moved to a different area.

He failed to find employment at his new location. There was simply no demand for electrical technicians without specialized knowledge in the fields of electrical, control and digital engineering.

He wondered whether there might be a chance of getting additional career training in these new areas.

The next chance he had, Dietmar spoke with the adviser at the Employment Office who is responsible for his case. The employment adviser indicated that he had also noticed that the employment demand for local industry almost exclusively involved more highly qualified personnel.

Dietmar felt that if he were not going to be able to find a job all that fast with his current level of training then he wanted to take advantage of the time available while he was unemployed to train in the new technologies.

He filled out an application for financial support in connection with participation in continuing training measures and attached the required documents such as school certificates, career training credentials and his other work papers.

He then inquired what a period of continuing training would cost him, since the fact that he was married and having to live on unemployment benefit didn't leave him much room for manoeuvre.

At the Employment Office he was informed that while he was taking part in the training course he would be given a "living allowance" instead of unemployment benefit. He was told that the Employment Office would pay for the costs connected with the career training measure, including transportation to and from the training location. Dietmar K. was also told that he would continue to be covered by medical and pension insurance and that the Employment Office would also pay for this.

The aim of the Employment Promotion Act, of which Dietmar K. is a beneficiary, is to achieve and secure the highest possible level of employment.

The implementation of the Employment Promotion Act is the responsibility of a federal authority, the Federal Employment Agency in Nuremberg. The functions of this agency and the local employment offices under its authority include job and career consultancy, job and training placement, the promotion of vocational training, the promotion of job initiation, job-related rehabilitation efforts (e.g. the reintegration of accident victims in working life). The efforts undertaken by the Federal Employment Agency for the creation and preservation of jobs include payment of short-work benefit, the promotion of year-round employment in the building sector (e.g. by paying employees winter or bad-weather benefits), and job-creation schemes.

In the case of unemployment the Federal Employment Agency provides unemployment benefit or unemployment assistance. In the case of employer insolvency it provides employees compensation for wages lost. Some of the services provided by the Federal Employment Agency (e.g. career guidance, job placement) are not dependent on payment of contributions. Others are (e.g. payment of unemployment benefit).

Employees (white collar, blue collar, cottage industry) and employers pay monthly contributions -- two percent of monthly salaries in each case -- into of the Federal Employment Agency's "emergency fund". Numerous benefits are financed from these contributions.

Unemployment benefit is granted to every unemployed person who was employed and paid contributions for at least twelve months within the past three years. Another requirement is that the unemployed register on time at the pertinent employment office and that he or she file an application for unemployment benefit.

The amount of benefit granted is 68 percent of the last net salary drawn for unemployed persons with at least one child and 63 percent for the others. This amount is paid for a period of one year if it does not prove possible to find new employment for the person in question. If, at the end of a year, no new employment has been found, the person may be granted -- on fulfilment of certain conditions -- what is known as "unemployment assistance" for another year and in hardship cases for even longer. This form of compensation amounts to 58 percent of the last net salary drawn for persons with children and 56 percent for persons without children.

Short-work benefit is paid in the case of temporary cutbacks in working hours (e.g. for economic reasons) to compensate for pay losses, i.e. as long as this results in the preservation of jobs. Payment is dependent on fulfilment of certain conditions and employees must apply for it at the relevant employment office. For employees with at least one child the amount of short-work benefit granted is 68 percent of the net wages lost. For the others it is 63 percent.

The same amount of "bad-weather money" is paid under certain conditions to construction workers who lose working time in the period from 1 November to 31 March as a result of inclement weather.

Job-creation measures. The Federal Employment Agency promotes the creation of jobs in employment office districts where the employment situation is bad. These measures are carried out by firms or organizations who then offer work to unemployed persons. Only those unemployed persons are taken into consideration for the scheme who receive unemployment benefit or assistance and who have been unemployed for at least six months. Employers are given subsidies of 60 to 80 percent (in exceptional cases up to 100 percent) of the salaries paid to employees taken. The agency also provides loans to employers.

Exceptions are made for unemployed persons who are particularly hard to place, e.g. handicapped or older persons. In such cases compensation measures may be carried out in employment office districts where the level of employment is good and despite the fact that no formal claims can be made to unemployment benefit or assistance.

The Federal Employment Agency pays wage cost subsidies to employers who hire older employees (50 years and above) who have been unemployed for at least one year in the last year and a half.

The functions of the Federal Employment Agency include the promotion of individuals in the areas of

- career training

- further training and

- retraining.

(7)

Promotion of individual career training needs is granted only under certain conditions and to differing degrees. Young people from low-income families are eligible for career training assistance while they are being trained on the job, at career-training institutions, or while enrolled in a pre-career preparatory training course.

Unemployed individuals enrolled in retraining programmes receive 73 percent of their last net salary as a living allowance if they have at least one child or are married to a person requiring care. The others receive 65 percent.

In the case of further training and retraining measures that are not necessary from the employment policy standpoint, but are useful (e.g. further training to acquire master craftsman status), a living allowance is provided in the form of a no-interest loan. The amount provided per month is equivalent to 58 percent of the last net salary received.

In addition to the provision of living allowances or living allowance loans, the local employment offices pay all or part of the costs for course fees, teaching materials, work clothing and transportation as long as these costs have not already been deducted from income tax due.

The Federal Employment Agency also provides employers "break-in subsidies" for newly hired and previously unemployed persons who need a "break-in period" before being able to work up to full productive capacity in their new job.

Educational Assistance

Top grades in secondary school ... but then not enough money to go to a university away from home? It just couldn't be true. Martin G. had talked it over with his father on numerous occasions. Martin was supposed to go farther in life than his father had. But did it have to be medical school? His father felt that with Martin's wide range of interests and his technical abilities he could just as easily stay at home and enrol in an engineering programme at a nearby technical university. He thought that mechanical engineering was a field with a future.

Martin's father is an electrician. His parents had not been able to afford to send him through secondary school. At the age of 14 he had had to start an apprenticeship. By the time he was 18 he was already helping to support the family.

Of course Martin was happy that his parents let him finish school -- not least of all at the insistence of his teachers -- since he was an excellent student. He wanted to take advantage of the opportunity this gave him of getting into medical school and fulfilling his life's dream of becoming a doctor.

Some of Martin's school chums wanted to study at the technical university nearby and submitted applications for financial assistance via a scheme created under the Federal Educational Assistance Act (BAföG), since their parents were not able to finance their further education.

Martin felt that this was perhaps a way of going about finding a solution to his problem, i.e. getting enough money together to pay for living away from home. His parents simply couldn't be expected to foot the bill.

After speaking with a counselor at the Educational Assistance Office he regained hope. Apparently there was a chance after all, that is if his father were willing to pay a certain amount, i.e. in accordance with his financial abilities.

The same evening Martin told his father what he had found out. Although Mr. G. wasn't enthusiastic about the idea, he agreed.

No sooner said than done. Martin filed an application with the Central Office for University Admissions in Dortmund -- and was admitted to a degree programme in medicine. The first step towards fulfilment of his dream had been taken.

(9)

Good training is the basis for success in working life and -- as is shown by a look at the unemployment statistics -- the best protection against unemployment. More than 60 percent of the unemployed in Germany are persons without career qualifications. The Federal Educational Assistance Act (BAföG) is meant to help those who, as a result of their financial situation, would not be able to get an education in keeping with their aptitudes, inclinations and achievement levels.

Educational assistance can be taken advantage of by university students and by secondary school students who need to live away from home in connection with school attendance, who go to night schools, or who are enrolled in boarding schools. The same applies to students at career training schools requiring a completed career qualification for entry.

Educational assistance is provided to secondary school students in the form of outright grants. University students, on the other hand, are given no-interest loans with repayment periods of twenty years. Persons whose income is low will be granted an extension of the repayment period. Persons engaged in child raising are exempted from the loan repayment obligation.

Purpose: Educational assistance is meant to cover the needs of the student in question, i.e. living and educational costs. Needs are based on the type of education and accomodation involved. Different rates are established in the Federal Educational Assistance Act (BAföG) for secondary school and university students.

Medical Insurance

Inge B. is a nurse. She has just finished getting a hospital room ready for the next patient. She is still thinking about the patient who was just released. Mrs. Sch. was a very pleasant patient. Inge occasionally stopped to chat a moment with her. Mrs. Sch. was worried about her two daughters, 5 and 12 years old, because her husband was gone so much. It had been a serious problem while she was in the hospital. Fortunately her husband's medical insurance company agreed to finance a part-time housekeeper in the four weeks she was away from home.

Although Anja, her 12-year-old, is very independent, she still can't handle everything alone. Sometimes Mrs. Sch.'s sister looks in to see how things are.

They once talked about the effects relatively small causes can have in everyday life and the costs involved. The stay in the hospital alone cost around 230 marks a day (including physicians' fees and medicines). If it were necessary to pay this kind of money out of one's own pocket one simply couldn't afford to get sick! Mrs. Sch. estimated that the bill would come to several thousand marks. That is more than what the medical insurance contributions amount to in two years.

Inge B. noted that, on an average, patients stayed in the hospital around 18 days -- but that is just an average. There are some who have to stay months -- even years. Inge B. and Mrs. Sch. agreed that it is normally not until people actually get sick and have to go to the hospital that they realize how sensible a statutory medical insurance scheme is.

Although as a nurse Inge is constantly confronted with the situation, she had never really thought about the financial side of it before. The insurance paid the bill -- and that was that. After reflecting on it, she realized what a fortunate thing it is that these statutory insurance schemes exist.

Statutory medical insurance is the oldest form of social security in Germany. The purpose behind it is to make sure that doctor and hospital bills can be paid if and when the insured person or someone in his family falls ill or is injured.

(11)

In addition, the statutory insurance scheme provide insured persons with 80 percent of their normal salary if employers do not continue to pay their salary while they are off work due to illness.

The following persons are covered by the statutory medical insurance scheme:

- All employees who work for wages. Spouses and children are insured on the same policy (unless, of course, the latter are employed themselves).

- Disabled persons employed in a recognized workshop or involved in employment promotion measures.

- Students at state and state-recognized universities.

- Pensioners, if they were insured with the scheme over a longer period of time during their working lives.

- Farmers.

Employees are required by law to take out insurance with one of the statutory schemes if their income is less than 4,500 marks a month. Persons who earn more than that can take out private medical insurance.

Statutory medical insurance covers:
- Medical examinations aimed at early detection of diseases. Examinations involving children from infancy to the age of four, women from the age of twenty on, and of men from the age of forty-five on.
- Medical and dental treatment.
- Provision of medicines and other medical supplies.

The insured party only needs to pay a very low percentage of the cost for these services out of his own pocket.

Further coverage includes:
- Replacements for parts of the body lost, orthopaedic and other aids.
- Stress tests and work therapy.
- Hospital treatment.
- Sick money. This amounts to 80 percent of net wages lost due to sickness. The maximum time this benefit will be paid is 78 weeks within a three-year period. Farmers' medical insurance also provides wage loss compensation for work losses due to illness of family members. Farmers are given farm assistance instead of sick money.
- Payment of costs or provision of grants for needed periods of rest and recuperation.
- Cost subsidies for technical services in the case of dental prosthesis.

- Sick money up to five days a year for taking off work to take care of a sick child.
- Payment of housekeepers during periods of hospital confinement.
- Home care for maternity cases.
- Maternity benefit and maternity assistance in the pre- and post-natal periods. Maternity benefit is provided up to eight weeks after childbirth (protective period).

The costs are financed through the premiums paid. Under the statutory insurance scheme employees and employers each pay half of the premiums. Employees who are able and want to take out private insurance policies receive premium supplement or a medical cost supplement from their employer (supplementary benefit). The current average level for statutory medical insurance premiums is 12.2 percent of gross employee income.

(13)

Accident Insurance

For more than ten years now Wolfgang S. has been a scaffolder in the building industry. This kind of work requires an ability to work in high places (i.e. physical deftness, steady nerves, lack of fear), precision, and constant concentration. It involves a great deal of responsibility. One wrong move can produce disastrous results.

But Wolfgang very rarely thinks about these things. His work has become second nature to him. It has been a hard day. He and his crew have to have the scaffolding up and secured before they go home -- plasterers are scheduled to start work the next morning. There's not much time left.

And then it happens: Wolfgang slips on a plank and falls from a height of five meters. The impact knocks him out. His workmates scurry down to help him. The people in the house across the street call an ambulance and the police. One of the scaffolders gives Wolfgang first aid as best he can. Another calls the boss to inform him what has happened.

The ambulance arrives within minutes. Wolfgang is carefully lifted onto a stretcher and rushed to the nearest hospital. The police and the boss arrive -- and the scaffolders recount everything to them.

The boss files an accident report with the employers liability insurance assocation.

At the hospital the doctors determine that Wolfgang is seriously injured. Both his legs are broken, he has severe bruises, a deep gash on his forehead, and a brain concussion. It will probably take a few months before he is back on his feet again and able to work.

Wolfgang's wasn't able to talk to his wife until the next day. She is concerned about his health, but also about what is going to become of the family, who is going to pay for the long period of hospitalization, how they are going to get enough money together to get by -- and in particular how she will be able to scrape enough together to continue the payments on the house they recently bought. Her own earnings are only enough to cover part of the bills every month.

Despite his injuries, Wolfgang is surprisingly optimistic. He calms his distraught wife, telling her that he will continue to draw full pay for the first six weeks, that the accident insurance policy will cover all the hospital costs, and that after the six-week period in which his employer will continue to pay him at the normal rate the accident insurance will provide him a monthly injury compensation amounting to slightly less than his last net monthly paycheck. It will be paid to him by the statutory medical insurance scheme.

Statutory accident insurance has existed in Germany since 1885. Its purpose is to protect employees from the effects of work-related accidents and illnesses. This applies to the insured employee as well as to members of his immediate family and his survivors. Accident insurance does more than provide financial assistance after the fact. It also covers preventive therapy and career-related assistance, even including retraining if this is necessary. In the case of statutory accident insurance the question of guilt is irrelevant in connection with the obligation to pay. The insured party is covered during the defined work-related activity as well as on the way to and from work. The statutory accident insurance organizations are constantly carrying out studies on accident prevention. Some companies are required to hire job safety specialists.

Accident insurance covers:

- all employees and trainees without limits related to the size of their income,
- farmers,
- children in kindergarten,
- children at primary and secondary schools,
- university students.

Company owners, the self-employed, and members of the professions can insure themselves and their spouses on a voluntary basis. Separate insurance regulations apply to civil servants.

Accident insurance provides unlimited coverage of costs for medical care and materials, including hospitalization.

Compensation is provided for pay loss as soon as the period of continued normal pay has been completed. This is usually six weeks. Pay-loss compensation is disbursed by the statutory medical insurance scheme.

(15)

If the insured party is unable to continue to work in his occupation as a result of injuries sustained, his accident insurance policy will assist him in retraining for a new occupation. The injured person is given "transition money" for the duration of the retraining period.

Accident-related pensions. Compensatory pensions are provided when the degree of work disablement as a result of an accident exceeds 20 percent. The size of the pension depends on the extent of disablement as well as annual income at the time of the accident. Similar to pensions in the statutory old-age insurance scheme, accident-related pensions are "dynamic", i.e. they are increased every year in pace with the average rise in income of the active working population.

If the accident victim needs care as a result of the accident, a care allowance is paid in addition to the pension. If the accident victim is killed in the accident, a pension is paid to the survivors. Widow and orphan pensions together may be as much as 80 percent of the net pay received by the deceased.

Accident insurance is provided by employers liability insurance assocations as well as by the statutory insurance organizations. The employers liability insurance assocations are financed for the most part on the basis of policy premiums paid by employers. The level of premiums is determined on the basis of the annual volume of wages and salaries paid out as well as on the degree of accident risk given. The insured parties or, in the case of kindergarteners, school children and university students, their parents, do not pay premiums.

Maternity Protection

Britta T. works part-time. She tells her friend Ingrid how hard things were eight years ago when she had her son Oliver. She was only able to devote herself to him fully for a period of eight weeks. After that she had to go back to her job as a technician in a photo laboratory. She had no choice but to leave him with her mother-in-law during the day. Seeing as he was her first child and she had looked forward so much to having him, leaving him with someone else had been especially hard for her to do. Sometimes she had had the feeling that she was not fully complying with her duties as a mother. She had not had enough time to get used to her child and to the changed circumstances having a child brings with it.

Things have changed a lot since then. When she was certain that her second child was on the way she began gathering information on the new Maternity Protection Act and the the Federal Child-Raising Benefit Act. By the time her daughter Sabine was born everything had been arranged for. She had applied for a six-month leave of absence from her job ("child-raising leave").

Britta had earned a net salary of around 520 marks a month. During the protection period, i.e. six weeks before and eight weeks after giving birth, she received the same amount of money per month in maternity benefit from her medical insurance scheme.

While she was off on child-raising leave she received 600 marks a month from the child-raising benefit office. Thus, until Sabine was six months old she was able to devote herself fully to her maternal duties at home.

Ingrid is expecting her first child and wants to make use of the possibility of taking child-raising leave, despite the fact that this will mean a small financial loss for the duration of the leave period. She earns around 900 marks a month working in a bakery, but she, too, will be given the set amount of 600 marks a month in child-raising benefit. Ingrid and her husband are able to absorb the loss and are more than willing to do so in the baby's interest.

Now that she has talked things over with her friend Britta, Ingrid is certain that there won't be any financial problems, thanks to the maternity protection laws. The only question in her mind now is whether the baby is going to be a boy or a girl.

The Maternity Protection Act is an important element in the body of protective labour legislation that exists in the Federal Republic of Germany. Its purpose is to protect working women during and after pregnancy from dangers to their health and that of their children in the workplace.

The Maternity Protection Act assures that she will not lose her job as a result of taking six weeks of leave before termination of pregnancy and eight weeks after (twelve weeks in the case of premature or multiple birth) so that she devote herself to the job of being a mother.

The Maternity Protection Act applies to almost all women in the Federal Republic of Germany who are employed or engaged in career training. Nationality and marital status are not of importance in this context.

Housewives and self-employed women are not covered under the Maternity Protection Act. Separate regulations apply to women who are employed as civil servants.

Employed women are protected by law from being dismissed from their jobs during pregnancy and up to four months after giving birth. If they choose to take advantage of the child-rearing leave option their jobs are also protected for the duration of this period under the Federal Child-Rearing Benefit Act.

After having her child every mother is free to decide whether or not she wants to give up her job or dedicate herself fully to having a family.

Job environments must be such that they do not pose dangers to the lives or health of pregnant women or women who have recently given birth. They must not be given physically strenuous work to do no must they carry out any work-related activity that would endanger their health. Night or weekend employment of women in this situation is not permitted. If a medical examination shows that the health of a mother and/or her child would be at risk as a result of continuing a given type of work activity, then the latter must be stopped.

During this period of time the woman employee in question can work if she expressly wishes to. But she is free to change her mind at any time.

The maternity protection period normally ends eight weeks after a woman gives birth. In the case of multiple or premature birth it is extended to twelve weeks. Employed women are not allowed to work at all during this period. They continue to receive their normal pay. Pregnant employed women who are covered by one of the statutory medical insurance schemes can also take advantage of the following benefits:

- regular medical care in the form of pre-natal examinations,
- a physician's and a midwife's services, medical supplies,
- care in a hospital or maternity home.

After expiry of the protective periods under the Maternity Protection Act mothers can claim child-raising benefit and, if employed, child-raising leave as well. Child-raising benefit and child-raising leave are granted until the child is twelve months old. Child-raising benefit amounts to 600 marks per month for the first six months. After that the amount is dependent on the income level of the mother or the married couple in question.

Pension Insurance

Werner and Ilse Z. are a retired married couple. He is 64 and she is 61.

They live in a one-family house with a large garden. Werner Z. likes working outside. He found that the work involved in taking care of all the vegetables, herbs, fruit trees and decorative shrubs in the garden was getting to be too much for him.

A few years ago Werner Z. talked with his wife and children about the possibility of early retirement. At the time he was employed as a buyer in the leather goods sector. He had already found an able replacement, but he still wasn't sure whether his various hobbies would be enough to keep him occupied. On the other hand he wanted very much to have enough time for his grandchildren.

Ilse Z. and the children have been very successful at making retired life pleasant for Werner. There is always enought to do. The garden is literally awash with flowers and requires a great deal of care. If she's not taking care of her grandchildren Ilse Z. sometimes looks after the daughter of one of their neighbours.

Their financial situation is solid despite early retirement and the fact that the monthly payments are somewhat lower than they would have been if Werner had retired at the age of 65 instead of at 63. There is satisfaction all round: Werner finally has enough time for himself and the family, his young successor on the job is happy about being promoted, and the grandchildren are glad that granddad now has time for them.

Employees and, in some cases, self-employed persons are covered by statutory pension insurance requirement by virtue of their job status.

Anyone not covered by the obligation to enter the statutory pension insurance scheme can enter it on a voluntary basis from the age of sixteen on. This applies in particular to the self-employed and to housewives. Certain restrictions apply in the case of civil servants with regard to voluntary entry into a pension insurance scheme.

(20)

The purpose of the statutory pension insurance scheme is to provide pensions to those covered by the scheme in the case of disablement or attainment of retirement age. If the insured person dies, a pension is paid to his or her survivors. The purpose of the scheme is, at the same time, to improve or restore the ability of the insured parties to work (rehabilitation). The statutory pension insurance scheme also subsidizes the statutory medical insurance premiums paid by pensioners.

Employees are under obligation to pay into the statutory pension insurance scheme unless their earnings are below a certain level. Persons undergoing career training are insured regardless of the level of their income.

Parents are under obligation to enter the statutory pension insurance scheme within twelve months after their first child is born.

Persons with a total income of less than 430 marks a month (1987 figure) and who work fewer than 15 hours per week are not under obligation to enter the scheme.

Pensions are paid for different reasons:

- As a result of disablement if the person in question has worked at least three years in the five years prior to the occurrence of the disablement and has completed a waiting period of five years.

- In connection with retirement. Retirement pensions are paid when the insured individual reaches the age of 65 and has completed a waiting period of five years.

- In connection with early retirement. Early retirement is possible in normal cases at the age of 63 (at the age of 60 in the case of persons with handicaps or work disabilities) provided a waiting period of thirty-five years has been completed.

- Women are granted early retirement pensions at the age of sixty if they have worked for more than ten years during the past twenty years in a job in which they were required to pay into the statutory pension insurance scheme and if they have completed a waiting period of at least fifteen years.

The statutory pension insurance scheme provides benefits aimed at improving or restoring work ability and avoiding premature work disablement, based on the principle that rehabilitation should always take precedence over pensioning.

(21)

Retirement pensions are earned income paid out during the retirement period and do not represent a supplementary living allowance. They are intended to provide a sufficient livelihood following a fulfilled working life.

An old-age pension is a form of statutory insurance benefit, the amount of which is based, on the one hand, on the length of time the person in question has been insured and, on the other, on the amount this person has earned in the course of his or her working life.

Pensions cover a wide range of events and risks in working life. Thus, for instance, periods of time can be taken into account in establishing the number of years worked, in which the person in question was not able to pay into the scheme, e.g. while a university student, while serving in the armed forces, while disabled, or while raising children.

In addition to the "normal" old-age pension, i.e. the one based on the statutory pension insurance scheme, many employees also receive a pension based on a pension plan set up by their employer. The amount of this additional pension generally depends on how long the pensioner worked for the employer involved.

A long working life (a long insurance period) and payment of premiums corresponding to the income level of the person in question will result in an old-age pension on which it is possible to live. This can best be illustrated on the basis of a "typical pensioner". This is someone with a median income who paid into the statutory pension scheme for a period of forty years. If we assume he retired in 1985 his pension would amount to 65.1% of the average net income of the workforce. If he chose to pay into the scheme for forty-five years the amount coming to him would be 73.2% of the median income.

Pension levels are expressed as percentages of income levels during active working life. A distinction is drawn between gross pension levels (based on gross income) and net pension levels (based on net income). The highest net pension levels in the history of the statutory pension insurance scheme were achieved in 1977, 1984 and 1985.

Recognition of child-raising periods results in a reduction of disadvantages to those who are not able to work or only to a very limited degree due to child-raising activities.

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Since 1983 pensioners have paid part of the cost of their medical insurance from their pensions. At the present time about a sixth of the overall costs for pensioner medical insurance is covered by this means. The other five-sixths are financed from contribution paid into the statutory scheme by the members of the active work force.

The statutory pension insurance scheme is financed for the most part on the basis of premiums paid into it. The level of statutory pension insurance premiums in 1988 is 18.7% of gross monthly income up to a limit of 6,000 marks. Employers and employees each pay half of the premium.

The federal government provides supplementary funding for the statutory pension insurance scheme (25.9 billion marks, equivalent to around 18% of total expenditure in 1986). The government covers funding required for the crediting of child-raising years in the pension context.

Pensions paid by the statutory scheme are adjusted annually to keep them in pace with rises in work force income in the previous year. The aim pursued in making these adjustments is to guarantee a stabile situation with regard to pensions and available income in the workforce.

Rehabilitation of the Disabled

Five years ago Peter W. was involved in a serious car accident. After spending several months in the hospital he recovered from most of his injuries, but damage to his brain had left one side of his body paralysed. Speaking was a problem for him as well.

Peter started going through a tough period of adjustment. He needed help in doing even very simple tasks. There was no way that he was ever going to be able to go back to working as a welder again.

After being released from the hospital, Peter was sent to a rehabilitation centre for the brain damaged. As a result of the therapy he received there the paralysis receded somewhat. His ability to speak improved as well. Peter slowly adjusted to his disability. Together with the experts at the rehabilitation centre Peter thought about what activities would correspond to his inclinations and still be compatible with his handicap. Work therapy helped him gradually get used to the demands of working life again. After detailed counselling and going through a career-finding programme, Peter decided to retrain as an administrator in the forwarding business.

Shortly after being released from the rehabilitation centre he was given a place in a career promotion centre, where he was trained in his new occupation. Peter found it quite positive that at the centre there were also experts on his kind of disability to assist him. More important still, he met other people in the same situation he was in. They had all been suddenly torn out of their normal lives by a disability and had to learn how to deal with living in changed circumstances. By the time he passed his exams and returned to his family, Peter had learned to cope with the physical effects of his disability and, equally important, he had accepted his situation and was on an even keel emotionally.

Through the employment office Peter was able to find a job in his new occupation. Peter now works for a large forwarding company and feels fully accepted there both in terms of his professional abilities and as a person.

(24)

Anyone who is mentally or emotionally disabled, or who is threatened by a disability of this kind, has a right to the assistance needed to

- avoid, eliminate or improve the disability, prevent its getting worse, or to moderate its effects, and
- secure a place in the community, especially in working life, corresponding to their inclinations and abilities.

Rehabilitation benefits are available to all disabled persons as well as to those who are threatened by disablement. The cause of the disability (or potential disability) in question is not important. Assistance may be necessary in connection such things as war-related disabilities, disabilities stemming from the effects of automobile accidents or job-related accidents, and well as in the case of persons who have had to abandon their occupations due to illness or work-related influences. Persons with congenital disabilities are also entitled to help.

The following kinds of help are involved: medical, employment promotion benefits, as well as benefits aimed at integration at schools and in society as a whole.

Disabled persons are entitled to:

- medical and dental treatment,
- medicines and other medical supplies,
- therapeutic measures including various kinds of physical therapy, speech therapy, and occupational therapy,
- prosthesis, orthopaedic aids (including needed changes, maintenance, replacements) as well as training in the use of such aids,
- stress tests and work therapy (including in hospitals), prescribed periods of rest and therapy at health resorts (including accomodation and meals).

Employment-promoting rehabilitation benefits should include all the forms of assistance needed to preserve, improve or restore the capacity of disabled persons to work and to integrate them in working life. The aptitudes, personal inclinations and past work experience of the disabled must be given appropriate consideration in selecting employment-promotion measures. Assistance can also be provided with an eye to professional advancement for the disabled.

(25)

The benefits provided in connection with school-related and general social integration include such things as special kindergartens, special schools, day-care centres, therapeutic measures for pre-school children, transportation services for the disabled, the creation of transportation facilities that accomodate the disabled, and recreational opportunities for the disabled.

Persons involved in a rehabilitation programme are provided a variety of benefits and allowances to live on. If they are enrolled in an employment-promotion programme they are given a "transition allowance".

The benefits provided amount to 80% of the regular income the disabled person has lost. At the same time, the disabled are covered by the statutory pension and unemployment insurance schemes.

Training or retraining of the disabled is carried out by a country-wide network consisting of 37 training centres with an overall enrolment capacity of around 10,000 as well as 21 employment promotion centres with an enrolment capacity of some 12,000.

Fifteen rehabilitation centres for specific kinds of disabilities (e.g. head injuries, brain damage, paraplegia, cardiac disorders) are the link between hospitals and occupational rehabilitation institutions.

Disabled persons who are not or not yet able to work in a normal work environment as a result of the type or severity of their disability are given an opportunity to train for an appropriate type of work in special workshops for the disabled. These workshops make it possible for the disabled to develop, improve or regain their skills, as well as to earn a living. At the present time there are 350 recognized workshops for the disabled in the Federal Republic of Germany with room for a total of 82,500 disabled persons.

Persons with a disablement judged to impair their "normal" productive capacities by 50% or more are classed as being severely disabled, regardless of the type and cause of the disability in question. The extent of the disability is assessed by an office responsible for this function. Persons classified as severely disabled enjoy special protection in the work situation, particularly with regard to dismissal. They are entitled to five additional days of vacation per year, i.e. beyond the number of days granted to non-disabled employees. In companies, organizations

or institutions that employ five or more severely disabled persons, the latter have the right to elect a spokesman. It is the spokesman's responsibility to represent the interests of the severely disabled in the workplace.

Very severely disabled persons are entitled to certain compensatory benefits, e.g. tax relief, free use of public transport, special parking privileges, and exemption from paying radio and television viewer fees.

Rehabilitation facilities and activities are financed by the statutory medical, pension and accident insurance schemes, the war victims pension scheme, welfare assistance and the Federal Employment Agency.

Welfare Assistance

Thomas and Astrid K. had only been married for about three years. They had made numerous plans for the future. Their son was nearly two years old. They had nearly finished furnishing their home. In a year Thomas was to graduate from engineering school and take a job. Both Thomas and Astrid worked to support the family. He worked part-time as a taxi driver and she had a job as a waitress in a cafe. They were always able to trade off so that one of them was at home to take care of their little boy.

Now the situation was entirely different. Thomas died a few weeks ago as a result of a serious car accident. Astrid was able to continue working at first, since a neighbour had been nice enough to babysit for her. However, this was not something that could be depended on over the long term. Worries for the future began to supplant the sadness caused by Thomas's death.

There was no one Astrid could get financial assistance from. Her husband had been responsible for causing the accident that took his life. Astrid's parents had been dead for a long time -- and her parents-in-law barely had enough money to get along themselves.

Astrid asked her neighbour what she should do about her situation. The neighbour suggested going to the Welfare Office, saying that there was bound to be someone there that could help. After all, that was what the Welfare Office was for and Astrid was entitled to welfare assistance if the right conditions were met. This, the neighbour said, was not "alms for the poor", but a type of assistance established by law for provision in specific exceptional circumstances.

Astrid still hesitated to take this step. It wasn't until the neighbour offered to accompany Astrid to the Welfare Office that she finally accepted. After her visit to the Welfare Office her situation was suddenly not so desparate after all. She would be granted welfare assistance so as to be able to cope in the situation she now found herself in but which she had no part in causing.

Welfare assistance is designed to help people who are in dire financial need continue to lead a life in keeping with human dignity. At the same time, it is intended to help make recipients independent of this form of assistance. Recipient are required to make the best possible effort to help themselves. The Welfare Offices have to provide active help when they are informed of cases of this kind and if the person in question wishes the assistance.

Anyone who is in a situation in which it is -- or will be -- impossible to make a living is entitled to welfare assistance if he or she is not able to get out of the difficulty on their own or through the help of others. It makes no difference whether the person involved is responsible for the situation he or she is in. In connection with some kinds of assistance no distinctions are made with reference to nationality. Possible entitlement to benefits from other types of social security schemes is given as much consideration in deciding what kind of assistance is needed in each individual case as the family and economic situation of the person in question. Welfare assistance is only paid if the person's income is not sufficient to live on.

Welfare assistance can be provided in the form of personal services, a money payment, or provision of material assistance of some kind. It is provided as

- a means of assuring that the recipient has enough to cover basic needs,
- a means of providing help in special circumstances caused by disablement due to accidents, old age or illness.

Basic needs include such things as food, accomodation, clothing, hygienic facilities, basic furnishings, heating, and items for personal everyday use. This includes, to a reasonable degree, contacts with other people (travel) and participation in cultural events.

The needs of children and young people -- particularly as a result of growing -- are taken into consideration in connection with assessing the costs involved in satisfying basic needs.

Welfare assistance recipients who live in a home as a result of age, an illness or a disability assume the costs of this kind of accomodation to the degree they are able. The rest is paid for by welfare assistance. A certain amount is provided per month for personal use (also referred to simply as "pocket money").

Recipients who do not live in a home are provided recurrent payments based on standard rates that are regularly adjusted in accordance with cost-of-living increases. The Welfare Office will pay part of the recipient's rent costs. The office checks, however, to see if the level of rent being paid is appropriate to the situation. The Welfare Office may also pay back rent due in the form of a grant or a loan.

Grants may be made in addition to recurrent payments in connection with larger purchases, i.e. more expensive pieces of clothing or home furnishings.

Welfare assistance recipients must accept any employment that they can reasonably be expected to handle. If they do not, they will lose their entitlement to welfare assistance. A mother (or father), for instance, cannot be expected to take a job if there is a small, sick or disabled child at home that needs to be taken care of.

Welfare assistance does not suspend the general obligation of family members to provide support as provided for under German family law. As such, the Welfare Office checks in each case to see whether and to what extent the members of the immediate family (i.e. children, parents, husband, wife) would be able to the pay the costs instead of the welfare assistance authorities. The Welfare Office of course has discretionary leeway in requesting support from family members so as not to create financial hardships.

Welfare assistance recipients do not need to pay back assistance received -- even if they should have the income to do it with at some later point in time. The only exceptions to this rule are when welfare assistance is provided only as a loan or when welfare assistance is wrongfully requested or provided.

City and rural district administrations and -- for some types of assistance -- regional welfare organizations, are responsible for implementation of the Federal Welfare Assistance Act. The local welfare offices provide advice in all pertinent matters. They are required by law to see to it that everyone in an impoverished situation is provided as fully and rapidly as possible to the assistance they are entitled to.

Welfare for Resident Foreign Nationals

More than four million foreign nationals live in the Federal Republic of Germany (population 60 million). This is equivalent to seven percent of the resident population. This fact confronts German society with major tasks. According to Chancellor Helmut Kohl, the Bonn government wants to "improve the economic and social integration of the foreigners who have lived in the Federal Republic of Germany for many years", but at the same time effectively limit the further influx of foreigners as well as provide incentives for their return to their countries of origin as well as assistance for re-integration in those societies.

The Bonn government stated very early on and very clearly that it would adhere strictly to the principle of limiting the number of foreigners from non-European Community countries establishing residence in the Federal Republic and that the Federal Republic was not and could never be a country open to immigration.

The Bonn government rejects the idea of sending foreign workers and their families back to their countries of origin. It respects the contribution foreign workers have made the economic development of the Federal Republic of Germany and will protect the situation that has been created on the basis of the rights to residence and employment acquired over the years and on the basis of legal entry of family members. Bonn's policy of promoting return and re-integration is based on the premise that the individuals who choose to return will do so of their own free will.

More than half of the foreign nationals in the Federal Republic (57%) have lived here for ten years or more. The federal government, in cooperation with state and local authorities, the unions, employer organizations and the churches, works towards their integration in the working world and in German society in general. Nearly two-third (63%) of the children and young people of foreign nationality living in the Federal Republic were born here. The efforts being made to promote integration are aimed at them in particular.

The social network in the Federal Republic of Germany is nearly the same for all employed persons, whether Germans or foreign nationals. Anyone employed here has the same entitlements under the statutory pension, medical and accident insurance schemes as German citizens.

(31)

Equal status applies to most foreigners in the case of longer periods of unemployment. On losing their jobs EC and other nationals who have been legally employed (and are in possession of a valid special-status work permit) receive unemployment compensation just like any German would as long as they remain residents of the Federal Republic.

Other foreign nationals in the workforce, i.e. persons who have a normal-status work permit and are not given consideration for positions until there are no further German or other EC applicants, also have no trouble getting unemployment benefits. However, they are only granted unemployment assistance as long as the German labour market is not closed off to them. However, since under a ruling handed down by the Federal Welfare Court the period of protection extends up to a year and a half from the date of last employment and since most foreign workers manage to find a new job before that period of time has passed, welfare protection is very adequate here, too.

Child benefit is provided to foreign nationals with children in the Federal Republic at the same rates as to Germans.

The rules are somewhat more complicated in the case of welfare assistance, since it would otherwise be difficult to rule out abuse. The Federal Welfare Assistance Act applies generally, i.e. also to foreign nationals living in the Federal Republic. Provision is made for granting living allowances, medical assistance, in-home care, care for expectant mothers, and care for mothers in confinement, to name but a few examples. However, foreigners who come to the Federal Republic with the recognizable intent of acquiring welfare benefits are not entitled to such benefits. In the case of asylum seekers without resident permits or entitlement to take up residency as well as in the case of foreigners who are required to leave the country, assistance provided is limited to what is absolutely necessary. Most of the assistance provided is not in the form of money but rather some form of material assistance or coupons.

Refugees with a recognized right to asylum, on the other hand, are accorded the same status as Germans under the welfare assistance laws.

International Cooperation

The Federal Republic of Germany has made an intensive effort to strengthen and develop further the kinds of welfare standards that have set the pace for social progress throughout the world. It has ratified the major ILO (International Labour Office) conventions. The same applies for key agreements on social policy matters in the Council of Europe context, e.g. the European Social Charter and the European Convention on Social Security. The human rights contained in the European Convention for the Protection of Human Rights and Fundamental Freedoms as well as in Protocols 1 and 4 to the Convention are immediately applicable law in the Federal Republic of Germany. Anyone, regardless of nationality, who feels that the Federal Republic of Germany has violated one or more of the rights guaranteed under the Convention and its Protocols can address a complaint to the European Commission of Human Rights. The Federal Republic of Germany has placed itself under the jurisdiction of the European Court of Human Rights.

There has been intensive social policy cooperation in the European Communities since 1959. In particular it has been possible to realize freedom of movement for members of the national workforces of the European Community member states between the various EEC countries as well as to regulate the social security of migratory workers. The 1974 cooperation agreement on education supplements European Community social policy cooperation in an important area, i.e. it aims at promoting the personal development of young people and safeguarding opportunities for future education and employment. Significant measures aimed at achieving this goal include the improvement of educational opportunities for citizens of other EEC member states, better preparation of young people for working life, and facilitation of the transition from schools to working life. The European Social Fund provides financial support to the member states in connection with career training measures for young people.

Through its ratification of the International Covenant on Economic, Social and Cultural Rights as well as the International Convenant on Civil and Political Rights the Federal Republic of Germany was involved in their world-wide entry into force and, as such, in contributing to the furtherance of social progress.

(33)

Volume of Social Welfare Costs

In 1986 government authorities, social insurance schemes, employers and other sources laid out some 545 billion marks in direct social welfare benefits. Indirect benefits, i.e. tax relief justified on social grounds, amounted to another 60 billion marks. These benefits are intended to protect people from social hardships, balance out disadvantages, improve opportunities and recognize sacrifices many people have had to make for society. The Federal Republic of Germany has created a social security system that has become an example for many other countries.

Direct social welfare benefits in 1986

Pensions	DM 178.5 billion
Medical insurance	DM 119.9 billion
Unemployment benefits, employment promotion measures	DM 41.2 billion
Civil service pensions	DM 38.0 billion
Continued wage payment	DM 27.8 billion
Welfare assistance	DM 25.9 billion
Supplementary family benefits and supplementary benefits for public employees	DM 16.2 billion
Child benefit	DM 14.3 billion
War victim pensions and related benefits	DM 13.7 billion
Employer pension schemes	DM 13.3 billion
Accident insurance	DM 12.0 billion
Asset formation	DM 10.2 billion
Supplementary provision for public employees	DM 8.8 billion
Youth assistance	DM 8.1 billion
Other employer-paid benefits	DM 4.6 billion
Old-age assistance for farmers	DM 3.6 billion
Rent subsidies	DM 3.6 billion
Indemnification (for victims of the Nazi regime 1933-1945)	DM 2.0 billion
Public health service	DM 2.0 billion
Child-raising benefit	DM 1.7 billion
Pension schemes	DM 1.3 billion
Equalization of burdens (a scheme to compensate sufferers from war and currency reform by imposing levies on those who had preserved all or some of their assets)	DM 1.2 billion
Promotion of training	DM 0.4 billion

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